GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4167
ANSWERED ON:10.04.2003
FINANCIAL CONDITION OF POWER SECTOR
RAMDAS RUPALA GAVIT

Will the Minister of POWER be pleased to state:

(a) whether the power sector is facing financial crunch;

(b) if so, the details thereof; and

(c) the steps taken by the Government to improve the financial condition of the power sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) : The cumulative commercial losses of SEBs upto March, 2002 withoutsubsidy were estimated at Rs.33,177 crores. State-wise details of commercial losses with and without subsidy are given in Annexure.

(c) : The Government of India has been signing Memorandum ofUnderstanding (MOU) with States reflecting the joint commitment of the Centre and the States to undertake reforms in a time bound manner. These reforms are aimed at improving the efficiency of State owned power sector and reducing T&D losses. The MOUs are being fleshed out to Memorandum of Agreements (MOAs) with clearer and more specific milestones. Twenty seven States have been covered by this exercise till now.

Under the Accelerated Power Development and Reforms Programme (APDRP), projects for bringing about a turn around in identified distribution circles by reducing Aggregate Technical and Commercial losses and improving the quality of power supply are being financed. In addition actual reduction of the gap between revenue and cost in the State is to be incentivised through grants.

The Tripartite Agreement which has been signed by twenty-four States has paved the way for securitization of old dues of SEBs amounting to Rs.37,400 crores.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART(b) OF UNSTARRED QUESTION NO.4167 TO BE ANSWERED IN THE LOK SABHA ON 10.04.2003.

COMMERCIAL PROFIT/LOSS OF SEBS 2001-2002 (Annual Plan)

(Rs. crore)

SEBs	without subsidy	with subsidy
1. Andhra Pradesh (APSEB/APTRANSCO)	-2820	-1194
2. Assam	-370	-370
3. Bihar	-753	-753
4. Delhi (DVB)	-1092	-1092
5. Gujarat	-3491	-2135
6. Haryana	-1949	-1537

7	Himachal Pradesh	-48	-48
8.	Jammu & Kashmir	-1141	-1141
9.	Karnataka	-2340	86
10	Kerala	-1354	-445
11	Madhya Pradesh	-3682	-3183
12	Maharashtra	-3527	-3527
13	Meghalaya	-49	-38
14	Orissa (OSEB/GRIDCO)	-230	-230
15	Punjab	-1633	-1633
16	Rajasthan (Transco)	-2412	-2412
17	Tamil Nadu	-2510	-2260
18	Uttar Pradesh (Power Corp.)	-2687	-1887
19	West Bengal	-1086	-1036
Total		-33177	-24837

Source: Planning Commission document